

**ENFIELD TOWN COUNCIL
MINUTES OF A SPECIAL MEETING
MONDAY, JANUARY 5, 2015**

A Special Meeting of the Enfield Town Council was called to order by Chairman Kaupin in the Enfield Room of the Enfield Town Hall, 820 Enfield Street, Enfield, Connecticut on Monday, January 5, 2015. The meeting was called to order at 5:30 p.m.

ROLL-CALL – Present were Councilors Arnone, Bosco, Cekala, Deni, Edgar, Hall, Kaupin, Lee, Mangini, Stokes and Szewczak. Also present were Town Manager, Matthew Coppler; Assistant Town Manager, Derrik Kennedy; Town Clerk, Suzanne Olechnicki; Town Attorney, Kevin Deneen; Director of Finance, Lynn Nenni; Supervisor of Assessment and Revenue Collection, Della Froment.

REVIEW OF 2014 FINANCIAL REPORT

Ms. Nenni stated this will be a review of how they did compare to the budget. She noted the auditors will come in at a later date.

She referred to Revenue-Property taxes and noted they had an overall \$910,000 positive variance in property taxes. She stated they budget real estate at 98.5%; motor vehicle at 94% and personal property at 97%. She noted they came in fairly close for the current year. She stated they had a surplus in collections for the prior year levy and penalties and interest and that was due in large part due to the tax collector sales, which brought in an additional \$1.2 million dollars in taxes and penalties and that resulted in a favorable positive variance.

Ms. Nenni stated there were some minor variances in the lien and fees and the tax sale fees. She noted the other large variance was in new revenue sources. She stated during last year's budget process, the state was entertaining some new tax revenue, i.e., the implementation of a hotel tax, but that never materialized, and that resulted in a variance in that line item. She pointed out they made up for it in the grants. She noted they didn't have a good handle on how the grants were going to shake out because they were entertaining the new tax sources, and they thought some of these new sources might offset some of the grants, but in the end it went back to the way things always were. She noted it did result in some substantial variances, but the bottom line was that they had a positive \$1,073,000 variance in intergovernmental revenue.

Councilor Lee stated it's unusual to see the DCS line item when they were under the impression that rates were going to stay about the same. He questioned if there's anything that resulted in such a deficiency. Ms. Nenni stated her belief they just re-arranged the funding. She noted they didn't budget anything for state property tax loss.

She referred to "Charges for Services" and noted this represents fees the Town collects for services performed. She noted the most notable variance was in buildings and

mechanical permits where they had a positive variance of \$548,000. She noted the estimates are based on historical averages.

Ms. Nenni referred to “Interest” and noted they had a \$75,000 negative variance. She noted the rates still haven’t come back.

She referred to “Transfers In” and noted they had a \$159,000 negative variance, and that was because of the internal charges that they were going to levy against the Water Pollution Control Fund. She stated the General Fund didn’t get charged out. She pointed out they only had half a year of user fees in there. She noted they had a total positive revenue variance of \$1,049,000.

Ms. Nenni stated the budgeted revenues are the reconciliations to GAP, and \$9,362,000 is the State’s contribution to the Teachers’ Pension Fund. She noted the other large reconciling items are the Excess Cost grant revenue that the Board met against their budget and the out-of-district tuition payments that they met against their budget. She explained those are fees that the Board receives and uses to reduce their expenditures.

Councilor Mangini questioned if GASB 54 is the pension, and Ms. Nenni responded no and explained two years ago, it was recommended the special revenue funds that were primarily funded with tax revenue should be included in the General Fund. She cited examples such as the Social Services Fund, the Ambulance Fund, Recreation and some of the education grants. Councilor Mangini questioned if the GASB 54 report is where all this funnels into, and Ms. Nenni responded yes.

Ms. Nenni referred to “Budgetary Expenses” and noted under General Government there was a \$107,000 surplus in the Personnel Office because they had a large surplus in unemployment insurance. She noted in the Treasury Department, they decided not to fill a vacancy so that resulted in a \$75,000 positive variance. She stated in the Assessment and Revenue Collections Department, there was some employee turnover, which resulted in some savings in health insurance, and they also had money left over in the printing budget. She stated there was a total General Government positive variance, which meant they spent less than they budgeted, and that figure is \$295,000.

She referred to the Public Safety budget, which includes school security and noted they had a positive variance of \$347,000. She noted the savings in the police budget was primarily due to money leftover in the Heart & Hypertension account, which amounted to about \$55,000, and the balance was money leftover in the equipment and supply account. She stated in the School Security account, they had a surplus in the Salaries account, and there was a surplus in the part-time salaries account for Public Safety Communications.

Ms. Nenni stated Public Works had a \$249,000 surplus primarily from their Equipment and Supplies account.

She noted the Library had a \$10,000 positive variance.

Ms. Nenni stated Planning & Development had a \$140,000 positive variance, and that's because they had several vacancies.

She noted the Board of Education had a \$131,000 positive variance.

Ms. Nenni stated under Non-Departmental Charges, they had a \$382,000 positive variance in Miscellaneous Charges and that was because there was a surplus of \$100,000 in Contingency and \$270,000 in the Collective Bargaining line.

She noted there's a \$115,000 surplus in the Debt Service line, and that was unspent from Professional Fees.

Ms. Nenni stated the bottom line for expenditures for the budget was a surplus of \$1,666,000.

She stated the increase to Fund Balance is \$2,693,000, and that's the difference between GAP revenues and expenditures.

She noted Unassigned Fund Balance increased from \$14,633,000 to \$17,150,000, which is 14.29% of the 2015 budget.

Ms. Nenni explained the Fund Balance is broken down into three components:

1. Non-Spendable
2. Assigned
3. Unassigned

She noted about half of the Non-Spendable Fund component is the loan from the General Fund to the Water Pollution Control Fund, and the other half is pre-paid items. She explained the Assigned Fund component is the amount they use to balance the budget for the next year and the amount that's left over in the Board of Education budget.

Councilor Lee clarified at the end of the last fiscal year with this surplus, the Town is now at the 14%, including the way they spent the current budget, and Ms. Nenni responded that's correct. Councilor Lee stated that's positive news.

Ms. Nenni referred to the Social Services budget and noted this budget is unique because it gets a lot of funding from grants. She explained the grants usually straddle two or three fiscal years, therefore, the funding and spending isn't always equal and it doesn't always follow the way the Town budgets. She noted the variances are primarily due to the grants, and there's also a like variance in the expenditures. She stated the Charges for Services had a \$193,000 negative variance, meaning they got in less than they budgeted and that was primarily due to less money that they received for the Child Day Care Center. She noted they transferred in an additional \$30,000 for busing during the year. She stated the Fund Balance at the end of the year increased \$135,000, but unfortunately they're still negative at the end of the year.

Chairman Kaupin questioned when the Social Services Fund pays back the Town, will that go into the General Fund. Ms. Nenni responded yes.

Councilor Lee questioned whether the Social Services Fund still has revenue, and Ms. Nenni responded yes.

Councilor Lee questioned whether it's known how many dollars are trailing, and Ms. Nenni stated the trailing is in the way the Town budgets, but the actual is correct.

Councilor Lee questioned how this will reflect in the coming year's budget. Mr. Coppler stated the Child Development Center has to have a certain number of teachers, therefore, they're spending that amount whether they have 20 more or 20 less children, and that's why the money isn't there in terms of the revenue. He noted they're losing the revenue because they don't have enough children, but they have to have enough teachers because of required ratios. He noted in the past when budgeting, there was reliance on fundraising, but they made structural corrections in the budget, therefore, that is no longer the case.

Ms. Nenni referred to EMS and noted there was a positive variance of \$113,000, and most of this is because they collected more fees than they budgeted. She noted they also had a positive variance in the expenditure budget of \$115,000, and most of this was because money was left over in the gasoline and supplies accounts. She noted there's a difference in the Transfers In of \$181,000, and that's because that is money from the Maciolek Post that they're going to use to pay for the ambulances.

Chairman Kaupin questioned if this includes Medicare, and Mr. Coppler noted the majority isn't the Medicare piece, but rather the private pay that isn't being collected. He noted they're looking at a collection agency to help in this area.

Mr. Coppler stated they want to get on the record a Council resolution about the Medicare piece. He noted a goal would be to establish a review policy for hardship cases. He stated another goal is to be more aggressive with the non-payers.

Ms. Nenni spoke about the Water Pollution Control account and noted last year was a year of transition for Water Pollution Control. She noted they had half a year of ad valorem and a half year user fees. She stated there was a total negative revenue variance of \$656,000, which is primarily due to budgeting the \$660,000 Clean Water grant, and that has not yet come in. She noted the sewer fees are categorized under "Charges for Services", and the first year of user fees came in as budgeted. She noted they budgeted \$1.5 million and it came in at \$1.6 million. She pointed out the budgeted \$1.5 million was only a plug for last year to balance the budget. She noted a full year of user fees was estimated at about \$5.9 million, therefore, half of that should have been about \$2.9 million.

Ms. Nenni referred to the IT budget and noted this is classified as an Internal Service Fund, and there was a negative revenue variance of \$4,879.00 and a positive variance in

expenditures of \$37,156. She noted they had a net increase to their fund balance of \$32,000.

Ms. Nenni stated the tax collection rate for 2014 was 97.95%, which is a little higher from 2013 which was 97.75%. She explained this represents the collection for one year for the grand list. She stated she wanted to demonstrate that they usually collect most taxes with the exception of motor vehicles.

Ms. Froment stated using the marshals as a collection tool has helped.

Ms. Froment stated effective April 1st, her department will be able to go on line and electronically notify motor vehicles when someone's motor vehicle taxes have been paid. She noted people will no longer have to come to the tax office to get a release before going to motor vehicles.

Ms. Froment stated there will be a tax sale April 30th. She noted they started with 48 accounts and are now down to 30. She stated 18 have been paid in full.

LIABILITY AND WORKERS' COMPENSATION

Mr. Coppler stated they wanted to discuss with Council what the recommendation is for July 1st with workers' compensation and liability insurance. He noted the Town is currently with Travelers, and there was discussion about a self-funded plan. He stated it's being recommended the Town stay with Travelers for at least one more year.

He presented some graphs that show year-to-date information from Travelers concerning all of workers' compensation claims for all Town and Board of Education departments. He noted every quarter the Town is paying \$350,000 to Travelers. He noted at the end of the year there will be an initial true-up.

MOTION #2980 by Councilor Hall, seconded by Councilor Mangini to go into Executive Session to discuss Personnel Matters, Pending or Threatened Litigation and Real Estate Negotiations.

Upon a **SHOW-OF-HANDS** vote being taken, the Chair declared **MOTION #2980** adopted 11-0-0. The meeting stood recessed at 6:55 p.m.

EXECUTIVE SESSION

The Executive Session of the Enfield Town Council was called to order by Chairman Kaupin at 6:56 p.m.

ROLL-CALL – Present were Councilors Arnone, Bosco, Cekala, Deni, Edgar, Hall, Kaupin, Lee, Mangini, Stokes and Szewczak. Also present were Town Manager, Matthew Coppler; Assistant Town Manager, Derrik Kennedy; Town Clerk, Suzanne Olechnicki; Town Attorney, Kevin Deneen

Personnel Matters, Pending or Threatened Litigation and Real Estate Negotiations were discussed with no action or votes being taken.

Chairman Kaupin adjourned the Executive Session at 6:58 p.m. He reconvened the Special Meeting at 6:59 p.m. and stated during Executive Session, Personnel Matters, Pending or Threatened Litigation and Real Estate Negotiations were discussed with no action or votes being taken.

ADJOURNMENT

MOTION #2982 by Councilor Hall, seconded by Councilor Mangini to adjourn.

Upon a **SHOW-OF-HANDS** vote being taken, the Chair declared **MOTION #2981** adopted 9-0-0, and the meeting stood adjourned at 7:00 p.m.